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Algeria

Oilseeds and Products

Annual

2002

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Report Highlights:

Due to high prices of vegetable oil on the world market, imports of sunflower oil and soybean oil decreased tremendously in MY 2001. Following the tariff reforms on 2001, duties on crude oils and on meal were lowered further.

Includes PSD changes: Yes

Includes Trade Matrix: Yes

Annual Report

Rabat [MO1], AG

Executive Summary	<u>1</u>
Production	<u>1</u>
Consumption	<u>1</u>
Trade	<u>1</u>
Stocks	<u>1</u>
Policy	<u>1</u>
Marketing	<u>2</u>

Executive Summary

Production

As reported previously, Algerian oilseeds cultivation is not well developed, because of former agricultural policies. Aside from olive oil production which remains traditional, Algeria doesn't produce any oilseeds. Most of the commercialized oil is produced domestically from imported crude oil, which is refined locally by two main refiners that dominate the Algerian oil and fats market –the state-owned operator ENCG Group, and the private operator CEVITAL. The latter is providing strong competition for ENCG, and has already captured half of the domestic market. Thus, imports of refined oil is no longer necessary as domestic production of refined oil has risen sufficiently.

Consumption

New bakeries and biscuit industries recently appeared on the market, as well as two refineries in the eastern region of the country. These newly established enterprises bring them expectations of an increase in both the importation of raw materials and general consumption. According to some sources in the snacks industry, there is a shortage in palm oil, soybean oil and sunflower oil – all due to a decrease in imports resulting from worldwide price increases.

Trade

Due to high prices of vegetable oil on the world market, imports of sunflower oil and soybean oil decreased tremendously in MY 2001. According to some contacts, this situation generated a disturbance in the local market. As a result, sunflower oil was replaced by the combination of palm and rapeseed oils during the refining process. This explains the marked increase in rapeseed oil imports. But local companies continue to import sunflower oil in smaller quantities, however, the trend is to use substitutes that will allow them to keep local prices of goods from rising.

The private poultry sector and feed manufacturing is still growing and competing with ONAB, the state-owned office of feed grains. For this reason, soybean meal imports have increased, including from the U.S., in spite of the high prices. Small private importers used to import Argentinian and European origin in small shipments, but the main important ones import shipments of 15000MT from U.S.

Stocks

Policy

After several complaints from the private sector, adjustments were made in February, 2002 on the customs duties and taxes that had been revised in July 2001 (please refer to AG1009 for the 2001 reform). For the oilseeds sector, the DAP* will apply only to refined sunflower oil and margarine, and is 48 percent in 2002. The custom duty on crude oil for food industry were reduced from 15 % to 5 %, and custom duties on soybean meal were revised from 30% to 5%.

*- The DAP (temporary additional duty) replaces the old "Valeur administree"-- a local tax arbitrarily decided upon by authorities to protect domestic production and paid in Algerian dinars. The DAP started at 60 percent in 2001 and decreases by 12 percent each year to become 0 percent in 2006. This applies to imported products also produced in Algeria (e.g., margarine, refined sunflower oil ready for consumption).

Table: New Tariff Rates for Crude Oil, Seeds and Meals:

Tariff code	product	Duties for Crude oil for food industry	Duties for Crude oil for other industries	refined oil	DAP	VAT %
1507	Soybean oil	5 %	30%	30%	-	17%
1509	Olive oil	30%	30%	30%	-	17%
1512	Sunflower oil	5 %	30%	30%	48 % only for refined oil	17%
1514	Rapeseed oil	5 %	30%	30%	-	17%
1511	Palm oil	5%	30%	30%	-	17%
1517	Margarine	30%	30%	-	48 % for food industries	17%

Tariff Code	Category	Custom Duty	VAT	DAP
23040000	Soybean meal	5%	17%	-
23063000	Sunflower meal	30%	17%	-
23064000	Rapeseed meal	30%	17%	-
12010000	Oilseed soybean	5%	17%	-
12050010	Oilseed Rapeseed	5%	17%	-
12060090	Oilseed Sunflower	5%	17%	-

In addition to the custom duties, there are still some customs dues-fees of 2 percent and a customs processing fee of 4 percent to add to the relevant tariffs.

Marketing

U.S. industry groups are showing renewed interest in the Algerian market. In December 2002, the American Soybean Association will hold a two-day regional trade seminar on soy ingredients for food products. A large delegation of about 24 Algerians from both government and private sector in the bakery and dairy, oil & fats and milling industries, are planning to attend the seminar. Both private and government food processing sectors are making efforts to improve their products, and are actively seeking technical cooperation.

PSD Table						
Country	Algeria					
Commodity	Oil, Sunflowerseed				(1000 MT)(PERCENT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Crush	0	0	0	0	0	0
Extr. Rate, 999.9999	ERR	ERR	ERR	ERR	ERR	ERR
Beginning Stocks	5	0	0	0	0	0
Production	0	0	0	0	0	0
MY Imports	230	230	186	88	186	80
MY Imp. from U.S.	33	33	0	42	0	40
MY Imp. from the EC	30	30	0	5	0	5
TOTAL SUPPLY	235	230	186	88	186	80
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	235	230	186	88	186	80
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	235	230	186	88	186	80
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	235	230	186	88	186	80
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix			
Country	Algeria		
Commodity	Oil, Sunflowerseed		
Time period		Units:	
Imports for:	2001		2002
U.S.	41699	U.S.	
Others		Others	
Argentina	28394		
Russia	3019		
France	2988		
Netherland	2500		
Ukraine	9128		
Italy	3		
Total for Others	46032		0
Others not Listed	0		
Grand Total	87731		0

PSD Table						
Country	Algeria					
Commodity	Oil, Soybean				(1000 MT)(PERC ENT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Crush	0	0	0	0	0	0
Extr. Rate, 999.9999	ERR	ERR	ERR	ERR	ERR	ERR
Beginning Stocks	0	0	0	0	0	0
Production	0	0	0	0	0	0
MY Imports	40	40	90	24	90	20
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	6	0	12	0	10
TOTAL SUPPLY	40	40	90	24	90	20
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	40	40	90	24	90	20
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	40	40	90	24	90	20
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	40	40	90	24	90	20
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix			
Country	Algeria		
Commodity	Oil, Soybean		
Time period	oct-sept	Units:	MT
Imports for:	2001		2002
U.S.	4	U.S.	
Others		Others	
Argentina	11800		
Spain	8510		
France	3127		
Italy	656		
Total for Others	24093		0
Others not Listed	0		
Grand Total	24097		0

PSD Table						
Country	Algeria					
Commodity	Meal, Soybean				(1000 MT)(PERC ENT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Crush	0	0	0	0	0	0
Extr. Rate, 999.9999	ERR	ERR	ERR	ERR	ERR	ERR
Beginning Stocks	0	0	0	0	0	0
Production	0	0	0	0	0	0
MY Imports	360	360	380	471	400	470
MY Imp. from U.S.	240	240	284	260	295	260
MY Imp. from the EC	0	0	0	23	0	0
TOTAL SUPPLY	360	360	380	471	400	470
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	360	360	380	471	400	470
TOTAL Dom. Consumption	360	360	380	471	400	470
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	360	360	380	471	400	470
Calendar Year Imports	0	340	0	437	0	430
Calendar Yr Imp. U.S.	0	240	0	200	0	200
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix			
Country	Algeria		
Commodity	Meal, Soybean		
Time period		Units:	MT
Imports for:	2001		2002
U.S.	260000	U.S.	
Others		Others	
Argentina	155772		
Canada	29157		
Spain	4259		
France	5740		
Portugal	12819		
UE	3303		
Total for Others	211050		0
Others not Listed	0		
Grand Total	471050		0

PSD Table						
Country	Algeria					
Commodity	Oil, Rapeseed				(1000 MT)(PERC ENT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Crush	0	0	0	0	0	0
Extr. Rate, 999.9999	ERR	ERR	ERR	ERR	ERR	ERR
Beginning Stocks	0	0	0	0	0	0
Production	0	0	0	0	0	0
MY Imports	25	25	2	148	2	120
MY Imp. from U.S.	0	0	0	20	0	20
MY Imp. from the EC	34	0	30	128	30	100
TOTAL SUPPLY	25	25	2	148	2	120
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	25	25	2	148	2	120
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	25	25	2	148	2	120
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	25	25	2	148	2	120
Calendar Year Imports	25	25	3	148	0	0
Calendar Yr Imp. U.S.	0	0	0	20	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix			
Country	Algeria		
Commodity	Oil, Rapeseed		
Time period	Oct-Sept	Units:	MT
Imports for:	2001		2002
U.S.	20358	U.S.	
Others		Others	
Germany	50303		
Danemark	18009		
France	57175		
Netherland	2600		
Total for Others	128087		0
Others not Listed	0		
Grand Total	148445		0

PSD Table						
Country	Algeria					
Commodity	Oil, Palm				(1000 HA)(1000 TREES)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Trees	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	0	0	0	0	0	0
MY Imports	75	75	100	63	100	60
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	75	75	100	63	100	60
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	75	75	100	63	100	60
Feed Waste Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	75	75	100	63	100	60
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	75	75	100	63	100	60
Calendar Year Imports	0	0	0	62	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix			
Country	Algeria		
Commodity	Oil, Palm		
Time period	Oct-Sept	Units:	MT
Imports for:	2001		2002
U.S.	0	U.S.	
Others		Others	
Malaysia	57577		
Indonesia	5000		
France	204		
Italy	29		
Jordan	20		
Total for Others	62830		0
Others not Listed	0		
Grand Total	62830		0